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State Dept review completed

Executive Registry

79-1479

15 June 1979

MEMORANDUM FOR THE RECORD

SUBJECT: Conversation with the Deputy Secretary of
State, 15 June 1979

25X1A 1. I asked about Newsom's trip to Libya and Tunisia. Its purpose was just about as outlined. I was referred to the NEWSWEEK article by Arnaud de Borchgrave reflecting Qadhafi's attitude. We thought there was nothing to be lost by trying to close the gap a little bit. The trip to Tunisia is just to cover the fact that Libya was the main purpose of the trip.

NIO/NEA
informed

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5. I asked him about his evaluation of a possible military coup in Turkey. He gives it rather low probability. He does think the IMF agreement will be a boost for Ecevit. [redacted]

NIO/WC
informed
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7. I gave him a rundown on the briefing for the President on the Soviet agricultural situation. [redacted]

25X1

8. I gave him a rundown on my briefing for the President on Soviet arms sales to the non-communist, lesser-developed countries. [redacted]

25X1

25X1C

10. I'll take up the Shakespeare dinner with Vance personally. [redacted]

25X1

25X1A 11. I didn't take up [redacted] interesting memo on food in the Latin America areas, but I'll keep it to read. [redacted]

NIO/CA
informed

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St
STANSFIELD TURNER
Director

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Approved For Release 2004/07/08 : CIA-RDP81B00401R002300280001-9

0930, 15 Jun 79

25X1A

TOPICS FOR CHRISTOPHER MEETING
(Scheduled for 1200, Friday, 15 June 1979)

Memorandum for the Record: Conversation with Sec. of State,
7 May 1979

*Not
Briefed*

1. [Redacted]

25X1D

2. SALT III briefing to the President. Graphics are in Tab B of handout notebooks.

Briefed

B. Soviet Agriculture/Economy Graphics are in Tab C of handout notebooks.

Briefed

C. Soviet Military Sales - Graphics are in Tab D of handout notebooks.

Briefed

D. Christopher trip to Libya; Tunisia probably to discuss rejection of 747's.

25X1C *Drop*

E. [Redacted]

25X1 *Drop*

F. [Redacted]

Stay

G. Frank Shakespeare Offer to Host NY Media Dinners.

25X1B

H. [Redacted]

Briefed

I. Turkey & Spain.

Drop

J. Latin America

- Population
- Cuba's Role in the World

S E C R E T

25X1A

0830, 15 Jun 79

25X1A

[] indicated that Under Sec. of State for Pol. Affairs Newsom is leaving for Libya & Tunisia tomorrow probably to discuss the State Department's rejection of three Boeing 747's to Libya. Rejection based on their past usage of 737's to carry arms to Uganda. Rumor has it that decision was not cleared with the White House. Qadhafi in retaliation is threatening to cut off our oil.

You may want to confirm with Deputy Sec State Christopher is this in fact is Newsom's mission. We suggest that Newsom will offer upgraded diplomatic representation or some other consolation to Qadhafi hoping to restrain him on oil.

A copy of a paper requested on Tunisia is enclosed. No paper on Libya was requested.

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CENTRAL INTELLIGENCE AGENCY
National Foreign Assessment Center

14 June 1979

INTELLIGENCE MEMORANDUM

TUNISIA--POLICIES AND PROSPECTS [REDACTED]

25X1

Introduction

Tunisia, describing itself as a socialist republic, is a political moderate in the Arab world. It is noted for its successful transformation to a modern society and for the relative stability of its political system. The national cohesiveness of Tunisians and the significant social advances achieved since independence account for much of this stability. Despite these substantial gains, latent discontent--largely generated by economic malaise--provides an undercurrent of unrest. [REDACTED]

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President Habib Bourguiba and his Destour Party--the only legal party--have dominated Tunisian political life since independence in 1956. Bourguiba's paternalistic and charismatic ruling style is autocratic and highly personal. Because of illness, Bourguiba participates in public life only to a limited extent; Prime Minister Hedi Nouira, his constitutional successor, runs the government. Nouira shares Bourguiba's practical, conservative outlook on domestic issues, and his pro-Western foreign policy. [REDACTED]

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This memorandum was prepared by the Near East South Asia Division of the Office of Political Analysis, with contributions from other CIA offices. Questions and comments may be addressed to [REDACTED]

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Economy

Tunisia has only 6 million people and few natural resources, but has experienced impressive economic growth rates, averaging about 8 percent a year in the past five years. Following a sharp drop in farm production in 1977, a more favorable agricultural outlook for 1978 brought recovery in GDP growth to almost 9 percent. With an ever-widening trade deficit, however, economic development over the remainder of the current five-year plan (1977-81) will depend increasingly on foreign borrowing. [REDACTED]

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Unemployment--estimated to be as high as 20 percent--underemployment, and rising expectations are major causes of dissatisfaction by young people, both educated urban dwellers and unschooled rural migrants. Although inflation is largely held in check by price subsidies on essential goods, wage hikes have contributed to annual price increases of close to 10 percent. Prime Minister Nourou has, however, recently undertaken--at considerable risk--stringent measures designed to revitalize the economy. These will remove some price subsidies at the same time wage increase ceilings are imposed. [REDACTED]

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Opposition

A current of dissatisfaction underlies the facade of national unity, but its depth is difficult to gauge. Major opposition to Nourou's government was crushed in January 1978. The trade union movement--with about 400,000 members--was rapidly becoming an alternative to Bourguiba's Destour Party as a channel for political expression. Months of government/labor confrontation culminated in a 24-hour general strike to protest Nourou's economic policies. The strike erupted into violence and trade union leaders and members were imprisoned; many have been quietly released in recent weeks as Nourou has moved to conciliate undercurrents of opposition. [REDACTED]

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The fundamental causes of the protests, however, remain unresolved. These include growing disenchantment, particularly among students and workers, over unemployment,

increasingly repressive government policies, and the single-party system. Ironically, these problems stem in part from the government's success in fostering economic and social development that has in turn led to changes in the expectations and outlook of many Tunisians. [REDACTED]

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Except for labor opposition, there is no evidence that discontent has crystallized. Key union leaders are in prison, and while their cause may continue to provide a rallying cry for marginal dissident groups, the trade union movement has been at least temporarily neutralized. Nouira is likely to continue his cautious approach for the time being. Although he may permit greater political participation once he succeeds the ailing Bourguiba--and his current conciliatory gesture towards labor certainly indicates he will do so--he appears now to prefer working with a unified, conservative cabinet. [REDACTED]

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Islamic Resurgence

Religious activism is increasing among young Tunisians. Much of what appears to be Muslim orthodox protest is, however, camouflage for low-key, secular political protest against Bourguiba's autocratic and increasingly repressive rule. The rank-and-file activists belong to a young, post-independence generation that has been nurtured in secular, mostly urban middle class values. Their present activity probably stems as much from anti-establishment restiveness and economic malaise as from religious zeal. [REDACTED]

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It is unlikely that this discontent will coalesce in the near term into a political movement capable of threatening the government. Tunisia's stability, prosperity, and high degree of Westernization--as well as state-guided secularization--probably will preclude a retreat to orthodox Islamic society. [REDACTED]

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Succession

There has never been a transfer of power in independent Tunisia. President Bourguiba--now 76--has held the office since 1956, having led the independence movement before that.

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He is president-for-life, and until he dies there will be no successor. The constitution provides for the prime minister to assume the presidency for the remainder of the five-year term of the legislature. (The current term ends this fall.) At the end of the interim presidency, presidential candidates--in reality only one--must be nominated by legislative or mayoral caucus, and approved by a government commission. The candidate then must stand in the nationwide popular election which elects the new legislature. Should Bourguiba live through the coming election--4 November--Nouira will be the designated successor during the legislative session that ends in October 1984.* []

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Nouira, now 68, has been a trusted adviser of Bourguiba since the struggle for independence, and prime minister since 1970. Although widely respected for his management of the economy, Nouira has little political following, and his lack-luster personality pales by comparison with Bourguiba's personal charisma. Nouira would be ill-equipped for the political infighting that might follow Bourguiba's demise. Nevertheless, the middle class, the military, internal security, and much of the political establishment will probably support him as the constitutionally-designated successor. The consensus is that Nouira's policies offer the best hope for continuing Tunisia's progress. []

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The present government, or a like-minded successor, is likely to remain in power for the next few years. Should elements of the present opposition come to the fore in the near term, even they would be unlikely to alter radically Bourguiba's policies. There would be, however, some realignment and reorientation that might well become more pronounced over time. Tunisia could become less overtly

**Should the prime minister be unable to accede to the presidency, the constitution provides for the president of the legislature--since 1964 Sadok Mokaddem, long time loyal associate of Bourguiba--to assume presidential duties for a 45-day period during which a new president is to be elected.*

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pro-western, less closely identified with the US, and more genuinely non-aligned. These changes might result in a reduction--but probably not the termination--of visits by the US Sixth Fleet to Tunisian ports. The domestic changes such a government might adopt would be primarily economic, probably with only marginal importance for US interests.

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Military

The 23,000 man Tunisian armed forces led by a faithful, but unambitious defense minister, appear to be loyal to the government, and can be expected to accept the legal succession. The troops are professional and well-trained--in the United States and France--and morale is good. Tunisia's modest arsenal is Western-supplied, primarily by the United States and France. The current defense budget calls for modernizing equipment and equipment maintenance training.

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Foreign Policy

Tunisia's foreign policy is largely dictated by apprehension about the aims of the powerful, militant Arab states--Libya and Algeria--on its borders. Tunisia is generally moderate and pro-Western, maintains correct relations with its Arab neighbors despite ideological differences, and attempts to play modest Algerian and Egyptian political support against perceived Libyan threats. Tunisia nevertheless advocates close regional economic cooperation for the Maghreb--important to development of its resource-poor economy--and seeks to include Libya in this scheme.

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Libya. Tunisians are acutely aware of what they see as Libyan President Qadhafi's determination to install a more radically nationalist regime in Tunis, or to merge the two countries, and fear Qadhafi might sponsor increased subversion within Tunisia. Although Qadhafi has interfered somewhat in Tunisian politics, his capacity to conduct subversion appears limited, and Tunisian security services seem capable of monitoring and containing the threat.

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Bilateral relations are periodically strained by Libyan attempts to implement the merger agreement signed and quickly repudiated by Bourguiba in 1974, and by an off-shore boundary dispute involving extensive oilfields. Tunisia--charging Libya with stalling on their agreement to submit the dispute jointly to the World Court--submitted the boundary dispute unilaterally last December. Libya's economy does provide one important benefit to Tunisia--its labor market absorbs surplus Tunisian workers, now estimated at 64,000 persons, approximately two percent of Tunisia's workforce. []

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25X1 [] Algeria. Tunisia and Algeria maintain correct relations. Since Algerian interests are not likely to permit Libyan ascendancy in the region, Tunisia derives a measure of security from this relationship. Tunisia seems well-disposed to the new Algerian leadership and anticipates a gradual improvement in relations under the new government.

25X1 [] Big Power Relations. American interests are generally served by Tunisia's moderate voice in international forums. Tunisia is moreover one of the few Mediterranean countries to permit routine port calls by Sixth Fleet nuclear vessels.

Soviet ships--especially diesel-powered attack submarines and naval auxiliaries based in the Barents Sea--have had access to Tunisian repair facilities; they used the shipyards at Menzil Bourguiba in northern Tunisia until March 1979, when further visits by Soviet submarines were prohibited. Repairs are still provided for naval support ships. Since they began to use this facility in June 1977, more than two dozen Soviet ships have made repair visits. The Tunisians value the hard currency this relationship earns them, and apparently calculate that it has some political value as well. Tunisia hopes that some Soviet goodwill would induce Moscow to rein in the Libyans on Tunisia's behalf should it become necessary. In addition, the Tunisians believe that Western anxiety about Soviet use of these facilities will incline the United States, in particular, to

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respond positively to Tunisian requests for economic assistance. The Tunisians have encouraged NATO members to make greater use of Tunisian port facilities, and point to the increased employment resulting from the visits. [REDACTED]

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Egypt/Arab League. Tunisia's opposition to becoming host to the Arab League has shifted dramatically since Baghdad I last fall. Initial apprehension of further splitting the Arab cause and alienating Egypt and the United States gave way in the face of pressure from other moderates and perceived intimidation from radical elements, and has resulted in an increasingly hardline Tunisian position. Tunisia had originally expressed support for President Sadat in private, but maintains the public posture of Arab solidarity. The Arab states favored Tunisia as a neutral site for the relocation, and Tunisia now stands to benefit both from increased prestige as a supporter of the Arab bloc, and from foreign currency revenues and increased employment that moving the headquarters to Tunis will bring. [REDACTED]

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[REDACTED]
0830, 15 Jun 79

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TURKEY & SPAIN

NIO/WE suggests that you may want to discuss two topics with Mr. Christopher.

I. Turkey. You may want to sound out his views on

-Whether the contemplated Turk agreement with the IMF
will help Ecevit.

[REDACTED]	[REDACTED]
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II. Spain's Saurez and the Basque problem. You may want to mention
that we are working an Alert Memo on this. NIO/WE's views
are heavily based on [REDACTED]

[REDACTED] As of yesterday State/INK thought he was getting too
excited about the situation.

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1700, 14 Jun 79

SOVIET ARMS TALKS

The decreasing demand on Soviet arms & subsequent trend of declining sales does not imply that these countries will completely sever any arms trade w/the Soviets.

In fact, they would like to maintain & preserve ties for a variety of reasons such as:

- Maintaining their current inventory
- Requiring spare parts on previously bought systems
- Inability of Western countries to respond to their new arms agreements quickly

25X1 e.g. India's recent order of 150 Jaguars apparently cannot be fulfilled until 1980-'81, so that India is simultaneously pursuing buying MIG-23s, although apparently [] - to fill the "gap" until its British order can be met.

- Preservation of political-military ties with the USSR

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The delaying tactics - mentioned in the NID - apparently is frequently used by the USSR

- as a political weapon against arms clients
- but only annoying tactic
- because arms clients usually get what they want
- particularly as of late w/Sov. realization of decreasing LDC demand

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